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Viewing cable 09LIMA1675, Peru's Financial Intelligence Unit- Reinvigorated

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Every cable message consists of three parts:

- The top box shows each cables unique reference number, when and by whom it originally was sent, and what its initial classification was.
- The middle box contains the header information that is associated with the cable. It includes information about the receiver(s) as well as a general subject.
- The bottom box presents the body of the cable. The opening can contain a more specific subject, references to other cables ([browse by origin](#) to find them) or additional comment. This is followed by the main contents of the cable: a summary, a collection of specific topics and a comment section.

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If you find meaningful or important information in a cable, please link directly to its unique reference number. Linking to a specific paragraph in the body of a cable is also possible by copying the appropriate link (to be found at the paragraph symbol). Please mark messages for social networking services like Twitter with the hash tags **#cablegate** and a hash containing the reference ID e.g. **#09LIMA1675**.

Reference ID	Created	Released	Classification	Origin
09LIMA1675	2009-12-01 19:27	2011-08-30 01:44	CONFIDENTIAL//NOFORN	Embassy Lima

Appears in these articles:
[elcomercio.pe](#)

VZCZCXYZ0013
RR RUEHWEB

DE RUEHPE #1675/01 3351927
ZNY CCCCC ZZH
R 011927Z DEC 09 ZFF6
FM AMEMBASSY LIMA
TO RUEHC/SECSTATE WASHDC 0178
INFO RUEATRS/DEPT OF TREASURY WASHINGTON DC
RUEHBO/AMEMBASSY BOGOTA
RUEHBR/AMEMBASSY BRASILIA 0079
RUEHLP/AMEMBASSY LA PAZ
RUEHNE/AMEMBASSY NEW DELHI 0002
RUEHPE/AMEMBASSY LIMA
RUEHQT/AMEMBASSY QUITO

C O N F I D E N T I A L LIMA 001675

SENSITIVE
SIPDIS
NOFORN

E.O. 12958: DECL: 2019/12/01
TAGS: [EFIN](#) [EINT](#) [PTER](#) [SNAR](#) [PE](#) [KTFN](#) [DEA](#) [TRSY](#)
SUBJECT: Peru's Financial Intelligence Unit- Reinvigorated

CLASSIFIED BY: Alexandra Z. Tenny, NAS...
id: 237473
date: 12/1/2009 19:27

refid: 09LIMA1675
origin: Embassy Lima
classification: CONFIDENTIAL//NOFORN
destination:
header:
VZCZCXYZ0013
RR RUEHWEB

DE RUEHPE #1675/01 3351927
ZNY CCCCC ZZH
R 011927Z DEC 09 ZFF6
FM AMEMBASSY LIMA
TO RUEHC/SECSTATE WASHDC 0178
INFO RUEATRS/DEPT OF TREASURY WASHINGTON DC
RUEHBO/AMEMBASSY BOGOTA
RUEHBR/AMEMBASSY BRASILIA 0079
RUEHLP/AMEMBASSY LA PAZ
RUEHNE/AMEMBASSY NEW DELHI 0002
RUEHPE/AMEMBASSY LIMA
RUEHQT/AMEMBASSY QUITO

----- header ends -----

C O N F I D E N T I A L LIMA 001675

SENSITIVE
SIPDIS
NOFORN

E.O. 12958: DECL: 2019/12/01
TAGS: [EFIN](#) [EINT](#) [PTER](#) [SNAR](#) [PE](#) [KTFN](#) [DEA](#) [TRSY](#)
SUBJECT: Peru's Financial Intelligence Unit- Reinvigorated

CLASSIFIED BY: Alexandra Z. Tenny, NAS Programs Officer, State, NAS;
REASON: 1.4(B), (D)

Peru's Financial Intelligence Unit - Reinvigorated

¶1. (C) Summary: The Peruvian Financial Intelligence Unit (FIU), under new management since February 2009, has shown renewed vigor as demonstrated by the exponential increase in the number of intelligence reports entering the judicial system compared to 2008. Based on these cases, the FIU estimates that more than three billion USD moved through the Peruvian economy illegally in 2009, more than 80 percent as a result of drug trafficking. The new FIU Director, however, is in conflict with his boss, the Superintendent of Banks. The FIU receives strong support from the Prime Minister's office which is contemplating legislation to make the FIU fully autonomous similar to the Colombian model. End Summary.

The FIU - a Primer

¶2. (C) The FIU, created in 2002, functioned under several jurisdictions - including the Prime Minister's office, the Public Ministry, and the Finance Ministry - until 2007, when it came under the authority of the Superintendent of Banking, Insurance, and Private Pension funds (SBS). In addition to responsibility for analysis, prevention, and supervision, the FIU has a regulatory role. It proposes strategies and policies to the Superintendent on prevention and detection of asset laundering and terrorist financing; drafts regulations on asset laundering and terrorist financing; and coordinates with other agencies in developing regulations. The FIU receives and analyzes Suspicious Transaction Reports (STRs), may request additional information relevant to cases or operations related to money laundering or terrorist

financing, provides Financial Intelligence Reports (FIR) to the Public Prosecutor's Office, participates and/or requests joint investigations, and coordinates with foreign FIUs and entities. Finally, the FIU supervises the system of prevention of asset laundering and has the authority to sanction entities for non-compliance with regulations or deficiencies in their business to prevent the laundering of assets.

Under New Management

13. (C) In 2008, Peru's Financial Intelligence Unit produced Financial Intelligence Reports (FIR) for the Public Prosecutor resulting in four cases entering the judicial system. Then-FIU head Sylvia Wong stepped down from her position at the end of 2008 and in February 2009, Enrique Saldivar was appointed Director of the FIU. The speculation at the time of her departure on the part of NASOff contacts in the Public Ministry, Peruvian National Police, and other places was that she had been removed for lack of performance, though she has publicly claimed she was pressured into stepping down because she "got too close" to uncovering "big cases."

14. (U) As of February 2009, FIU has been under the leadership of Ramon Enrique Saldivar Bocangel. Most recently having served as advisor to the President of the Supreme Court, he has also been the head of the Prime Minister's National Office of Electronic Government and Information. Prior to these positions, Saldivar worked in the private sector, including five years with Microsoft. He holds multiple degrees from the best universities in Lima in Economics and Business Administration and has attended the

Microsoft Latin American Executive Training Program in Bogota.

FIU Progress in 2009

15. (C) Of the 7,710 suspicious activity reports examined by FIU analysts in 2009, 781 resulted in financial intelligence reports sent to the Public Ministry for further processing and investigation. Based on these 781 intelligence reports, the FIU concludes more than 3 billion USD moved illegally through Peru's financial sector in 2009. 83 percent of this amount, according to the FIU, is related to drug trafficking. The other 17 percent is reportedly related to fiscal fraud, corruption and illegal gun dealing. Currently, 308 of these intelligence reports are at various stages of investigation and prosecution in the legal system - as compared to four cases in 2008. The FIU also reports tracking cases similar to that of an OFAC-designated Al-Qaida element moving money from Europe through Lima and on to India. Asked if this Al-Qaida case was the first of its kind or they had seen similar cases before, Saldivar told NASOff that they see about one case a month.

Challenges to the FIU

¶16. (C) Saldivar told NASOff he often becomes frustrated by the legal and bureaucratic obstacles encountered when pushing money laundering cases through the judicial system. Any information sharing between the FIU and other Peruvian entities involves a paper intensive process through the Public Ministry (Attorney General's Office). The FIU must contend, he said, with institutions such as the Peruvian tax agency (SUNAT), which refuses to share information, not because it is forbidden by law, but because SUNAT does not believe FIU has safeguards to protect the information. Saldivar argues that this is not the case and claims it is more an issue of institutional jealousy than real security concern. Furthermore, he asserted, SUNAT often hides behind tax confidentiality laws although the tax code establishes exceptions in cases typically investigated by the FIU. The FIU is receiving strong support from the Prime Minister's Office, according to Saldivar. Legislation to make the FIU fully autonomous similar to the Colombian model, is being considered, he said. Saldivar did not know, however, when this legislation would be introduced.

¶17. (C) According to Saldivar, anti-money laundering efforts in Peru are hindered by several factors. He said, for example, there are too many agents working on different aspects related to money laundering and terrorist financing and their related offences. Additionally, while the FIU is the coordinating body for anti-money laundering and terrorist financing issues, the current legal structure restricts inter-agency collaboration and information sharing, including access to information such as tax and banking records. Finally, Saldivar told NASOff that his own boss, the Superintendent of Banks, is reluctant to push the banking sector in terms of compliance. Currently, though the major banks have complied with orders to freeze accounts, they are under no obligation to comply quickly, according to Saldivar.

¶18. (C) Saldivar confided in NASOff that when he first began as the Director of the FIU he met with the management of each of the major international and Peruvian banks. He said he was rather taken aback when the three largest international banks told him they had no intention of cooperating with him. Scotia Bank, Saldivar said, told him they had no intention of reporting to FIU anything related to fiscal fraud and Commercial Bank informed him they would not report to the FIU on counterfeit currency.

Leaking Financial Information

¶19. (C) Saldivar told NASOff he believes that the Banking Superintendent is leaking sensitive information from FIRs to political entities and the press. Both the Banking Superintendent and Saldivar are being sued personally by Peru's Nationalist Party because of an FIU investigation into one of its leaders. Saldivar said he suspects that the Superintendent has leaked sensitive information on this and other high profile cases for political reasons due to his close connection with President Garcia and his political party.

Comment

¶10. (C) Saldivar appeared stressed and worried when discussing the issue of the leak and shared with NASOFF that four months into his tenure as Director, he was told by the Superintendent's chief advisor that he was "working too quickly." The numbers speak for themselves in terms of the FIU's performance in 2009 as compared to 2008 primarily due to Saldivar's leadership. The FIU staff who less than six months ago reported to NASOff low morale now reports a renewed energy in their work and excitement for the vision of the new leadership. However, Saldivar's tenure is in question, and he feels he is being prevented by other officials from fully realizing the FIU's potential. Saldivar has demonstrated results and NAS will continue to support the FIU's work.

MCKINLEY

=====CABLE ENDS=====